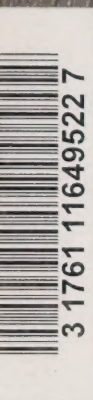
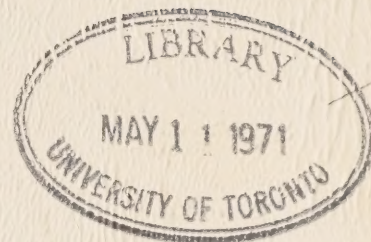


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# Ontario Hospital Services Commission




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1968 Annual Report





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ONTARIO

# Ontario Hospital Services Commission







## ONTARIO HOSPITAL SERVICES COMMISSION

OFFICE OF THE CHAIRMAN

2195 YONGE STREET, TORONTO 7

HONOURABLE M. B. DYMOND, M.D., C.M.,  
MINISTER OF HEALTH

Honourable Sir:

It is my pleasure, on behalf of the Ontario Hospital Services Commission, to present to you the 1968 Annual Report of the Commission, the tenth Report since the inception of the plan of hospital care insurance.

A Statistical Supplement to the Report is in an advanced state of preparation; when published shortly it will provide supporting details on the operation and utilization of individual hospitals.

Continuing hospital development during the year was greatly assisted by the two-thirds financial assistance given by the Province to public hospitals. At the end of 1968, there were 48,356 beds available throughout Ontario in all public, private and Federal hospitals, including nursing homes temporarily approved for chronic care. These provide an average of 6.7 beds per thousand eligible population. By way of comparison, there were 47,126 beds available at the end of 1967, and an average of 6.6 beds per thousand eligible population. At the close of 1968, there were 42 major projects under construction which have been designed to provide 3,154 hospital beds, 279 nursery bassinets and 1,886 beds in residential accommodation for student nurses and interns.

Regulations approved in 1967 allow the Provincial Government to meet the full cost of building or equipping the teaching and research components of university-affiliated hospitals or improving training facilities under the programme of capital grants for teaching hospitals. In this connection, major building projects are being developed at the five medical teaching centres — London, Toronto, Kingston, Ottawa and Hamilton. Construction has commenced on the College of Health Sciences and University Teaching Hospital at McMaster University, and the University Hospital at the University of Western Ontario. The Province will recover part of the cost from the Federal Government through the Health Resources Fund.

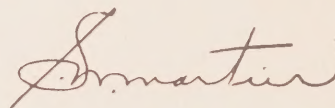
To provide care in all types of hospitals in 1968, the Province paid a total amount of \$792,560,613 including payments in the amount of \$119,706,000 to mental hospitals and \$4,400,000 to tuberculosis sanatoria. The Province bears the full cost of care in mental hospitals and tuberculosis sanatoria, since the Federal Government does not share in these costs.

To fill a long felt need, the government of this Province approved of the Plan including the cost of essential ambulance service from July 1, 1968. It is difficult at this time, however, to assess the full impact of this additional benefit because of the relatively short period of time it has been in effect.

The programme to develop twenty-five regional schools of nursing is approaching its objective. At the end of 1968, eighteen were in operation and three more are scheduled to enroll students during 1969.

The continuing cooperation and assistance of the hospitals, the medical profession and their respective Associations is gratefully acknowledged by the Commission. The helpful service received from numerous government departments is also sincerely appreciated.

Yours sincerely,

A handwritten signature in dark ink, appearing to read 'S. W. Martin', with a stylized, cursive script.

S. W. Martin, F.C.I.S., F.A.C.H.A.,  
*Chairman and General Manager.*

E. P. McGavin, C.A., *Commissioner of Finance*

D. J. Twiss, M.D., *Commissioner of Hospitals*

P. A. Dick, *Commissioner*

J. P. Harshman, M.D., *Commissioner*

D. H. Morrow, M.P.P., *Commissioner*

Right Reverend B. F. Pappin, D.P., *Commissioner*

T. C. Grice, *Secretary to the Commission*

July 11, 1969.

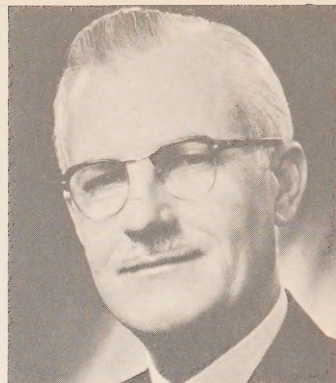
# CONTENTS

	PAGE
LETTER OF TRANSMITTAL	
<b>Report of the Commission</b> - - - - -	2
Insured Services - - - - -	3
Insured Population - - - - -	4
Volume of Hospital Service - - - - -	4
In-Patient - - - - -	4
Out-Patient - - - - -	5
Ambulance Service - - - - -	6
Home Care Programmes - - - - -	6
Hospital Planning - - - - -	9
Hospital Construction - - - - -	9
Hospital Accommodation - - - - -	9
Regional Hospital Councils - - - - -	9
Educational and Training Facilities - - - - -	10
Health Science Centres - - - - -	10
Nursing Education - - - - -	10
Hospital Grants and Loans - - - - -	10
Central Laundries - - - - -	11
Financial Operations - - - - -	13
Ontario Hospital Services Commission Financial Statements - - - - -	15
Ontario Hospital Services Commission Expenditures for Ten Years - - - - -	17
<b>Tables</b>	
Volume of Hospital Care Given in Ontario, 1968 - - - - -	19
Trends in Public Hospital Care, 1966 to 1968 - - - - -	21
Schedule of Total Contributions for Hospital Care and Related Services - - - - -	22
<b>Charts</b>	
Annual Percentage Increases over 1959 (selected data) - - - - -	12





THE HON. M. B. DYMOND, M.D., C.M.  
Minister of Health



S. W. MARTIN  
Chairman and  
General Manager



D. J. TWISS, M.D.  
Commissioner of  
Hospitals



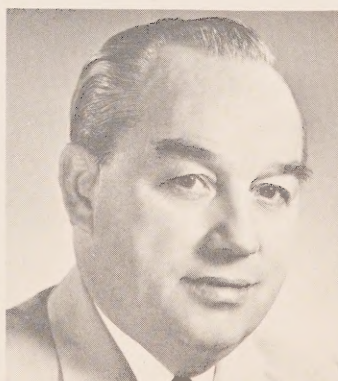
T. C. GRICE  
Secretary to  
the Commission



E. P. MCGAVIN  
Commissioner of  
Finance



P. A. DICK  
Commissioner



D. H. MORROW, M.P.P.  
Commissioner



J. P. HARSHMAN, M.D.  
Commissioner



MSGR. B. F. PAPPIN  
Commissioner



## *REPORT OF THE COMMISSION*

1. The seven members who constitute the Commission are appointed by the Lieutenant-Governor-in-Council. The Commission reports to the Legislature through the Minister of Health but its daily management is vested in an Executive Committee consisting of the Chairman, the Commissioner of Finance, the Commissioner of Hospitals and the Secretary to the Commission. The Executive Committee meets regularly with the other four Commissioners to confer on matters relating to the formulation and implementation of policy. The Commission's responsibilities under the Hospital Services Commission Act are as follows:

- (a) to ensure the development throughout Ontario of a balanced and integrated system of hospitals and related health facilities;
- (b) to administer the Public Hospitals Act, the Private Hospitals Act and all Regulations thereunder;
- (c) to administer the Ontario Hospital Insurance Plan under an agreement between the Government of Ontario and the Government of Canada.

2. To coordinate certain common activities of the Ontario Hospital Services Commission and the Ontario Medical Services Insurance Plan, the Provincial Government formed the Health Insurance Registration Board and it became operational on January 1, 1968. This was accomplished by taking certain functions and employees from each organization, which reduced the Commission staff to a complement of approximately 400 in 1968.

3. On January 1, 1959, the Hospital Insurance Plan in Ontario commenced operation. The year 1968 therefore, marked the end of the first decade of operation of the Plan by the Ontario Hospital Services Commission. There have been many achievements and significant advances in hospital care provision during this period. Some advances, which took place in 1968, are recorded in this Report: among these can be counted the inclusion of certain out-patient services and of the ambulance service as additional benefits under the Plan.

4. In line with most activities, hospital costs have increased considerably since 1959. Costs of the Hospital Insurance Plan in that year were \$161,689,808. In 1968, costs were \$573,356,522 an increase of 254.6 percent over the earlier figure. But these figures do not reveal the whole picture. Like other organizations, hospitals are not immune to inflationary pressures; and the fall in purchasing power of the dollar can be blamed for at least some of the increased costs. It is true, also, that the additional costs since 1959 can be attributed largely to the increase in the volume of patient care due to more hospital beds being available each year, and a corresponding increase in patient days. In 1959, for example, there were 10,921,810 adult and child patient days. This increased to 14,736,321 by 1968, an increase of 34.9 percent. A further factor in the increased cost of operating the Plan is the general improvement in the levels of remuneration of hospital staff, and the general increase in the number of trained staff working in hospitals. While, therefore, costs have increased by 254.6 percent since 1959, neither the quantity nor the quality of care have remained static. Quantitatively, the number of patients have increased by 27.9 percent since 1959. With regard to quality, the increasing sophistication of modern scientific medicine now makes possible treatments and operative procedures which were not feasible in 1959.

## **INSURED SERVICES**

### **In-Patient**

The regular and usual hospital services in standard ward accommodation of approved hospitals for as many days as such services are medically-necessary. These services include:

- accommodation and meals at the standard or public ward level;
- necessary nursing service, when provided by the hospital;
- laboratory, radiological and other diagnostic procedures, together with the necessary interpretations for the purpose of assisting in the diagnosis and treatment of an injury, illness or disability;
- drugs, biologicals and related preparations which are prescribed by an attending physician in accordance with accepted practice and sound teaching and administered in a hospital, but not including preparations sold under the Proprietary or Patent Medicine Act (Canada);
- use of operating room, case room and anaesthetic facilities, including necessary equipment and supplies;
- routine surgical supplies;
- use of radiotherapy facilities, where available;
- use of physiotherapy facilities, where available;
- services rendered by persons who receive remuneration therefore from the hospital.

### **Out-Patient**

- emergency out-patient hospital services on the first visit to hospital within twenty-four hours following an accident;
- hospital visits to conclude treatment of a fracture which was originally treated on an in-patient basis, or on an out-patient basis within 24 hours of an accident;
- hospital visits when medically-necessary for surgical procedures or the treatment of medical conditions. (Effective July 1, 1968)
- radiotherapy hospital services in clinics of the Ontario Cancer Treatment and Research Foundation and hospitals approved by the Commission for these services;
- when prescribed by a licensed physician as a medically-necessary course of treatment and provided by hospitals approved by the Commission:
  - (a) use of physiotherapy\* and occupational therapy facilities where available;
  - (b) speech therapy where available and provided by qualified therapists for the treatment of an organic illness or injury.

\*Physiotherapy also covered in private non-hospital facilities approved by the Commission.

### **Essential Ambulance Service**

If the use of an ambulance is medically-necessary an insured resident is required to pay only the following amounts:

- \$5.00 for a land ambulance trip of 25 miles or less, plus
- 15 cents for each mile over 25 miles, but not more than \$25.00 in all for one trip.
- A maximum of \$100.00 for an authorized air ambulance trip (including the cost of connecting land ambulances).



## INSURED POPULATION

The estimated number of insured persons in Ontario was 7,273,748 as of December 31, 1968. This represented a 1.4 percent increase over the 1967 estimate of 7,171,971 insured persons and although this is a smaller annual increase than in previous years, it still indicates that more than 99 percent of the total provincial population eligible for hospital insurance participate in the Plan. The distribution of these beneficiaries by insurance categories is shown below.

	Number in Plan <sup>1</sup>		Percentage Increase or (Decrease) 1968/67
	1968	1967	
<i>Insured through groups</i>			
(a) Payroll deductions and co-operatives .....	<b>5,173,325</b>	5,149,073	0.5
(b) Public welfare <sup>2</sup> .....	<b>221,984</b>	184,571	20.3
(c) Other welfare <sup>3</sup> .....	<b>55,191</b>	52,081	6.0
<i>Insured directly through certificate holders</i> .....	<b>1,677,375</b>	1,659,134	1.1
<i>Hospital indigents</i> <sup>4</sup> .....	<b>145,873</b>	127,112	14.8
<b>TOTAL</b> .....	<b>7,273,748</b>	7,171,971	1.4

An increase of 14.8 percent in indigents in 1968 is less than half the increase experienced the previous year while the increase of 17.1 percent of people insured through welfare is slightly more than the increase experienced the previous year. This is partly attributed to assistance being provided to a broader group of people through the Ontario Department of Social and Family Services. More than 71 percent of the insured population continue to have premium payments made through payroll deductions and co-operatives.

It is expected that approximately one-third of the cost of the Plan will be provided by hospital insurance premiums. To maintain this ratio and to keep pace with escalating hospital costs, it is necessary, therefore, to periodically increase hospital insurance premium rates. Effective July 1, 1968, the single rate became \$5.50 and the family rate \$11.00 per month.

## VOLUME OF HOSPITAL SERVICE

### In-Patient

The following table indicates the number of admissions and days of care per 1,000 eligible population, as well as the average length of stay for patients separated during 1968. Each of these data are compared with the two previous years.

<sup>1</sup> All figures shown except hospital indigents are based on the Dominion Bureau of Statistics' estimate of the average number of persons in a family which was 2.537 as of November, 1968.

<sup>2</sup> Insured by the Ontario Department of Social and Family Services.

<sup>3</sup> Includes provincial and municipal indigents, persons on relief rolls, wards of Children's Aid Societies and patients in mental institutions and tuberculosis sanatoria who did not insure themselves under the Plan, as they are insured by the Province of Ontario.

<sup>4</sup> Uninsured residents admitted to hospital who were or became indigents and for whom the municipality or province paid a statutory rate.

<i>Level of Care</i>	<i>Public and Private Hospitals<sup>1</sup></i>								
	<i>Total Admissions Per 1,000 Population<sup>2</sup></i>			<i>Total Days of Care Per 1,000 Population<sup>2</sup></i>			<i>Average Length of Stay</i>		
	<b>1968</b>	<b>1967</b>	<b>1966</b>	<b>1968</b>	<b>1967</b>	<b>1966</b>	<b>1968</b>	<b>1967</b>	<b>1966</b>
Active Treatment including Psychiatric .....	<b>151</b>	149	149	<b>1,586</b>	1,572	1,551	<b>10.5</b>	10.5	10.4
Convalescent Care and Rehabilitation .....	<b>1</b>	1	1	<b>44</b>	43	45	<b>48.5</b>	48.3	47.6
Chronic Care .....	<b>1</b>	1	1	<b>348</b>	355	348	<b>238.1</b>	245.0	274.6
All Levels of care .....	<b>153</b>	151	151 <sup>3</sup>	<b>1,978</b>	1,970	1,944	<b>12.8</b>	12.8	12.9 <sup>3</sup>

It can be seen from the above table that while the average length of stay for active treatment patients did not change in 1968, there was an increase in the number of admissions per 1,000 eligible population which resulted in an increase in total days of care. On the same basis, admissions for convalescent and chronic care remained constant. Total days of care increased slightly for convalescent care with a correspondingly small increase in average length of stay. Total days of care for chronic patients and their average length of stay each show a decrease of approximately two percent.

### Out-Patient

To further close the gap existing between out-patient services insured under O.H.S.C. and under O.M.S.I.P., additional benefits for hospital out-patient services became effective during 1968 to cover many hospital visits not previously insured, such as:

- (1) Use of the operating room for minor surgical procedures.
- (2) Use of hospital facilities as prescribed by a physician in the treatment of medical conditions.

The cost of providing the various types of out-patient services in 1967 and 1968 are summarized below:

<i>Cost of Out-Patient Services</i>	<b>1968</b>	<b>1967</b>	<i>Percentage Increase or (Decrease) 1968/67</i>
Emergency .....	<b>\$ 6,763,144<sup>4</sup></b>	\$ 5,466,679	23.7
Follow-up and other services .....	<b>6,497,318</b>	1,979,423	228.2
Therapy Services .....	<b>2,383,909</b>	1,473,227	61.8
Private Physiotherapy .....	<b>2,832,270</b>	2,499,034	13.3
Rehabilitation Services .....	<b>1,336,802</b>	1,356,397	(1.4)
<b>TOTAL .....</b>	<b>\$19,813,443</b>	<b>\$12,774,760</b>	<b>55.1</b>

<sup>1</sup> Including temporarily approved nursing homes.

<sup>2</sup> Eligible population is defined to be the total population (7,306,000) less armed forces personnel, members of the R.C.M.P. and inmates of Federal penal institutions (39,000). Population figures are quoted as of June 1 and based on 1968 Dominion Bureau of Statistics' estimates.

<sup>3</sup> Sunnybrook Hospital data included in total only for 1966.

<sup>4</sup> Emergency out-patient costs of \$6,850,475 less third party recoveries of \$87,331.



The above table shows an overall increase of 55.1 percent in the cost of out-patient services in 1968 from the previous year. This has resulted from greater utilization of services due partly to increased benefits effective July 1, 1968, and to new rates payable for these visits. With the exception of rehabilitation services, all other services show an increase in costs. The most substantial increase of 228.2 percent occurred in follow-up and other services. This is largely because of the increasing tendency of patients to seek medical treatment at the hospital and for physicians to refer more and more patients to hospital out-patient departments where more sophisticated facilities are available. The benefit covering hospital services for follow-up treatment is designed, in part, to assist in the more efficient use of hospital beds, inasmuch as many such patients can be discharged earlier and continue to receive treatment on an out-patient basis without incurring additional personal expense.

### Ambulance Service

Since July 1, 1968, the major portion of the cost for essential ambulance service necessary to transport a patient to or from a hospital, has been paid by the Plan. The use of an ambulance for a patient must be considered medically necessary by a licensed physician or a central ambulance dispatching service, a designated hospital official or another person authorized by the Commission. In the case of a road accident, however, a police officer may authorize the use of an ambulance. Benefits will also be provided for the use of an air ambulance, but this must be authorized in advance by the Director of Emergency Health Services or a person designated by him.

It is anticipated that the provision of ambulance service as a benefit under the Plan will not only ease the financial problem for the patient, but will assist in the development of a well-organized ambulance service throughout the Province.

<i>Number of Vehicles<sup>1</sup></i>	<i>Hospital Based and Operated Services</i>		<i>Municipally Operated Services</i>		<i>Private Operators</i>		<i>Volunteer Services</i>		<i>TOTAL</i>	
	<i>Services</i>	<i>Vehicles</i>	<i>Services</i>	<i>Vehicles</i>	<i>Services</i>	<i>Vehicles</i>	<i>Services</i>	<i>Vehicles</i>	<i>Services</i>	<i>Vehicles</i>
One .....	33	33	16	16	82	82	11	11	142	142
Two .....	10	20	0	0	31	62	0	0	41	82
Three or more	<u>2</u>	<u>8</u>	<u>5</u>	<u>27</u>	<u>21</u>	<u>87</u>	<u>0</u>	<u>0</u>	<u>28</u>	<u>122</u>
TOTAL: ..	45	61	21	43	134	231	11	11	211	346

### Home Care Programmes

Home Care (treatment service) Programmes were introduced in Toronto in 1958, as a pilot project; only patients from the community were admitted. In 1961, early discharges from two Toronto hospitals were admitted to the scheme. Following the success of the Toronto scheme, three year pilot projects were established in Ottawa (1964); Guelph-Wellington (1965); and in Hamilton, Windsor and London (1966). New programmes commenced in 1968 at the Lakehead, in Peterborough, Brant County, Burlington, Oshawa, Whitby, and Lincoln - St. Catharines.

The value of these programmes in promoting better utilization of hospital beds has become widely known and at the end of 1968 there were fourteen such programmes operating throughout Ontario with one more scheduled to start in 1969, as soon as staff become available. The cost of these programmes for the fiscal year 1968/69 was \$2,379,148 for a total of 272,422 patient days and a per diem cost of \$8.73. The Federal Government does not share in these costs.

<sup>1</sup> Since ambulance service became a benefit under the Plan as of July 1, 1968, all data refer to a six-month period only, ending December 31, 1968.



The new look in ambulances. This capable looking vehicle performs outstandingly in all aspects of modern ambulance service.

Commission ambulances are painted a distinctive blue and white with red lettering "AMBULANCE" front and rear and the Provincial crest on each side.

A distinctive warning-light pattern and colour scheme is now a standard set by Emergency Health Services.



Rear View: With the two rear doors open, the spacious patient compartment is very accessible, even bulky hospital equipment such as the Foster Bed and Stryker Flame can be loaded and transported with ease.

This view shows the main stretcher in position with an adjustable intravenous pole attached to its side.



Right Side View: When the two side doors are open, the patient compartment may be entered easily, as a special step-well has been built into the floor inside the doors. The stretcher may be removed from the entrance if necessary.

The bucket seat shown at the left provides additional safe, comfortable seating for an attendant or relative.





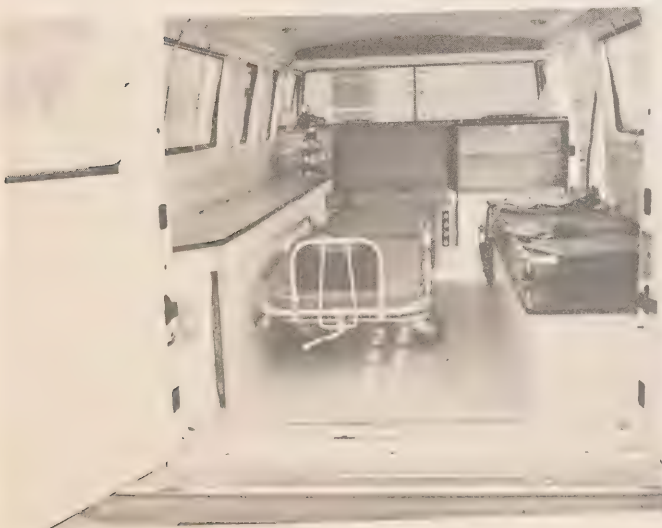
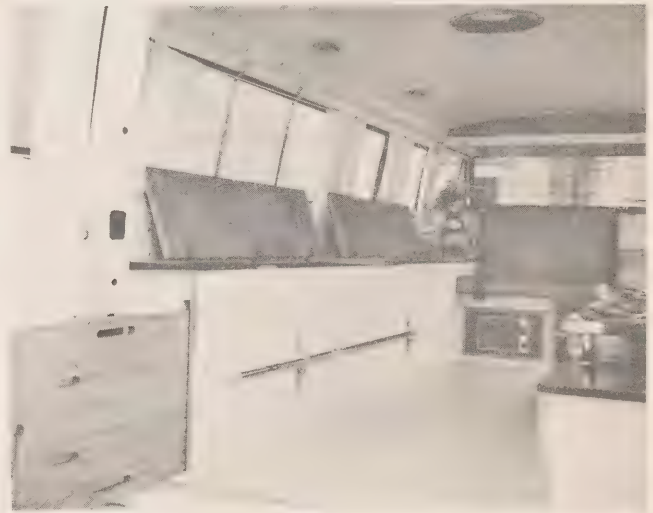
The forward end of the patient compartment provides ample room for the attendant to work at the head of the patient.

All necessary life support equipment and supplies, heating, ventilation and lighting controls, and 110 volt power supply are within arms' reach when the attendant is seated on the wall seat.

The patients are positioned at an appropriate height and location so that the attendant from this central position can attend either patient with ease.

The interior left side of the patient compartment has both top and end opening storage areas containing: the fracture board (shown partially out of its cupboard), splints, stair chair, rescue gear, emergency stretcher, suction tanks with controls, oxygen apparatus, extra tank and spare tire.

Also visible in this picture are the high capacity ventilation unit in the roof, the 110-volt automatic electric heater and the auxiliary hot water heater under the attendant's wall seat.



When two stretcher cases are carried, the back of the bucket seat folds forward extending the crew bench area in order to accept the stretcher. There is ample room between the two stretchers and at the forward end of the compartment for the attendant to move about with ease.

## HOSPITAL PLANNING

### Hospital Construction

During 1968 public hospital construction projects saw the completion of 2,282 beds and 181 nursery bassinets. A total of 764 beds was completed for student nurses and interns. At the close of the year 42 major projects were under construction. These projects have been designed to provide 3,154 hospital beds, 279 nursery bassinets and 1,886 beds in residential accommodation for student nurses and interns.

	<i>Adult and Child Beds</i>			<i>Newborn Bassinets</i>	<i>Accommodation for Nurses and Interns</i>
	<i>Active Treatment</i>	<i>Convalescent</i>	<i>Chronic</i>		
New beds completed in					
1968 (gross) .....	<b>2,109</b>	....	<b>173</b>	<b>181</b>	<b>764</b>
Beds under construction .....	<b>3,008</b>	....	<b>146</b>	<b>279</b>	<b>1,886</b>

### Hospital Accommodation

At the end of 1968, the total rated bed capacity in public and private hospitals was 47,122, an increase of 2.8 percent from the 45,851 beds available in these hospitals at the end of 1967. Including Federal Hospitals and Nursing Stations, the total rated bed capacity for all levels of care was 48,356 beds available at the end of 1968, an increase of 2.6 percent from the previous year-end.

The following table indicates the number of beds available for each level of care in 1968 and the increase or decrease in each type of accommodation provided over the previous year.

<i>Type of Bed</i>	<i>Total Rated Bed Capacity at Dec. 31, 1968</i>	<i>Beds Per 1,000 Eligible Population</i>	<i>Net Increase or (Decrease) in Beds 1968/67</i>	<i>Percentage Increase or (Decrease) in Beds 1968/67</i>
Public and Private Hospitals				
Active Treatment .....	<b>36,926</b>	<b>5.1</b>	642	1.8
Psychiatric .....	<b>1,366</b>	<b>0.2</b>	308	29.1
Convalescent Care and Rehabilitation .....	<b>1,142</b>	<b>0.1</b>	Nil	0.0
Chronic Care .....	<b>7,688</b>	<b>1.1</b>	321	4.4
All levels of care .....	<b>47,122</b>	<b>6.5</b>	1,271	2.8
Federal Hospitals and Nursing Stations				
All levels of care .....	<b>1,234</b>	<b>0.2</b>	(41)	(3.2)
TOTAL, all levels of care .....	<b>48,356</b>	<b>6.7</b>	1,230	2.6

### Regional Hospital Councils

The Commission has the responsibility to develop a balanced and integrated system of hospitals to serve the people of Ontario. To help to accomplish this purpose, it has encouraged the formation of regional hospital councils to act in an advisory capacity and to make recommendations for the best means to meet hospital needs of the community as a whole.

At the end of 1968, there were seventeen of these councils established throughout Ontario; nine more in the planning stage; and two other areas where joint liaison committees have been formed. Continued encouragement is being given to regional development and further significant progress is anticipated in 1969.



## **Educational and Training Facilities**

### **Health Science Centres**

In 1964 the Provincial Government announced a programme of financial assistance to encourage the building and development of medical and dental teaching facilities. In pursuance of this policy the Provincial Government later announced it would meet the total cost of construction and renovation of facilities to be used for teaching hospitals and research institutes. Details are covered under the Hospital Services Commission Act, Ontario Regulation 213/67. Federal assistance is also available under the Health Resources Fund Act which was passed by Parliament in 1966 and provided for the establishment of a Health Resources Fund which will make grants up to fifty percent of the Provincial expenditure to assist provinces in the acquisition, construction and renovation of health training facilities and research institutions. This assistance applies to university teaching hospitals to be erected on campus or additions to university-affiliated hospitals which will include a teaching component and related hospital personnel. Research facilities associated with teaching will be included. In addition, provision is made for medical and dental schools operated by universities.

Health Science Centres are to be located on the following university campuses — Western Ontario, McMaster, Toronto, Queens and Ottawa. Each complex will consist of basic, clinical and service (hospital) facilities. These facilities will have the on-campus teaching and research programmes for all health science divisions approved for each centre. Construction has commenced on the College of Health Sciences and University Teaching Hospital at McMaster University, and the University Hospital at the University of Western Ontario.

Another Provincial Regulation, passed in 1966, provides for capital grants to approved schools for the education of hospital and related personnel. For these schools, the Province accepts responsibility for the full approved costs, including land.

There are now a series of studies in progress to determine priorities on a province-wide basis.

### **Nursing Education**

There were 92 schools of nursing operating in Ontario in 1968. Of this total, 82 were Regional and Hospital Schools sponsored by the Commission, 7 were schools in universities, 3 were in Ontario Psychiatric Hospitals and one was in a polytechnical institute.

The programme to establish Regional Schools of Nursing is progressing favourably. The capital costs for these schools are met by the Provincial Government which later recovers part of the cost from the Federal Government, while the costs of the related residence facilities are paid by Provincial grants and by long-term financing, repayable through approved operating costs of the schools. These schools offer a course of training consisting of two years' education followed by a third year of learning experience in clinical areas in one of the affiliated hospitals. At the end of this third year, diplomas are awarded and the student is then eligible to write her registration examinations. It is anticipated that eventually Schools of Nursing will convert to a straight two-year plan or Diploma Schools of Nursing.

There were 18 Regional Schools conducting classes in 1968 out of the 25 to be established in Ontario. Three more Regional Schools expect to have students enrolled by the end of 1969.

### **Hospital Grants and Loans**

For community hospitals and for non-teaching portions of university-affiliated teaching hospitals, the Province of Ontario accepts responsibility for two-thirds of the approved cost, which includes the cost of necessary basic equipment.

Part of the Provincial assistance is in the form of a grant and the remainder of the Province's two-thirds share is a loan. This loan is made at the rate of 3 percent per annum, with the hospital being required to pay towards the annual amortization cost only three-eighths of the differential income on semi-private and private beds in the new accommodation. This income is usually insufficient to meet the annual amortization cost and the Province absorbs the amount of any deficit.

Grants for schools of nursing and student nurses' residences are paid on the basis of full cost of the school portion including furnishings, plus a grant of \$3,200 per bed in the residence. The balance of the cost of the residence is generally borrowed from Central Mortgage and Housing Corporation with the amortization cost being met through the operating budget of the school.

In Ontario Regulation 213/67 regarding capital grants for teaching hospitals, the Province accepts responsibility for the approved cost of university hospitals and of teaching and research facilities forming part of a university-affiliated hospital. Part of the cost is recovered by the Province through the Health Resources Fund.

In Ontario Regulation 283/67, the Province agreed to accept responsibility for the approved cost of a medical rehabilitation hospital, or that part of a hospital which provides special facilities for the medical rehabilitation of patients. To qualify, the hospital is expected to provide a wide range of special services and must be approved by the Commission as a regional rehabilitation centre before becoming eligible for grants on the basis of full cost.

The following table summarizes the amounts the Province has paid in construction grants and loans approved to public hospitals during the last two fiscal years, ending March 31.

	<u>1968/69</u>	<u>1967/68</u>
Capital Grants Paid .....	<b>\$42,220,491</b>	\$28,181,938
Special Capital Grants .....	<b>6,852,275</b>	6,759,200
Organized Out-Patient Grants .....	<b>920,827</b>	1,598,935
Total, Grants Paid .....	<b>\$49,993,593</b>	\$36,540,073
Loans Approved .....	<b>22,253,130</b>	31,670,306
TOTAL, Grants Paid and Loans Approved .....	<b><u>\$72,246,723</u></b>	<b><u>\$68,210,379</u></b>

The increase in grants paid results mainly from the new programme to increase teaching and research facilities. The decrease in organized out-patient grants paid reflects the change in additional out-patient benefits covered by the Plan effective July 1, 1968.

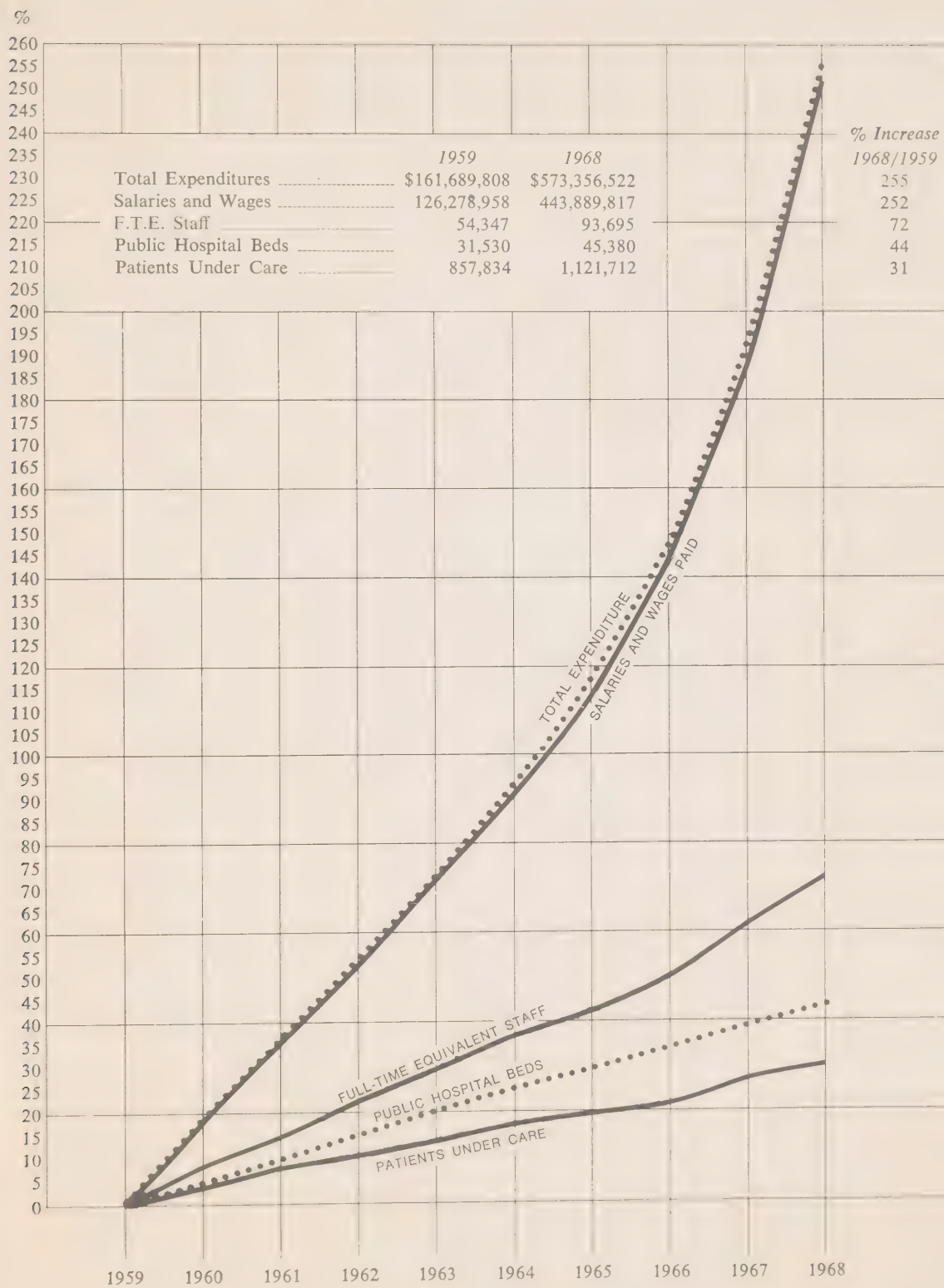
## CENTRAL LAUNDRIES

To help minimize increasing costs and to improve service to hospitals, the Commission is encouraging and assisting in the establishment of central laundries in different areas of the Province. At the end of 1968, there were two laundries operating in Toronto and one in North Bay. It is expected that these three laundries will eventually service a total of twenty-three hospitals.

Two additional laundries opened early in 1969 in Windsor and Cornwall, while a third is scheduled to commence operating later this year in Sudbury. These three laundries are expected to service a total of eleven hospitals.



## Annual Percentage Increase Over 1959



## FINANCIAL OPERATIONS

The annual comparative financial statements of the Commission for the calendar years 1967 and 1968 are shown on the following pages of this report.

The more important features of the statements follow:

### 1. *Expenditure — Insured Services — Hospitals and Related Facilities*

The expenditure incurred for insured hospital services in 1968 was \$568,454,613. This represents an increase of 22.0 percent over the comparable amount for 1967 of \$465,893,341. The increase includes the operating costs of new beds and services as well as the additional operating cost of existing facilities. This compares with an increase of 18.7 percent in 1967 over 1966.

### 2. *Administrative Costs*

The net administrative expenses of the Commission for 1968 were \$4,901,909 which represents 1.9 percent of the overall cost of the Plan. \$3,132,532 or 63.9 percent was for salaries and wages. The Commission employed a total of 412 persons at December 31, 1968 as compared with a total of 774 persons at December 31, 1967. The reduction in staff and costs resulted from the transfer of certain administrative functions to The Health Insurance Registration Board. (See Note 1 to Financial Statements).

### 3. *Premium Income and Government Contributions*

Premium income in 1968 totalled \$218,340,873 as compared to \$162,148,367 in 1967. The increase of \$56,192,506 results from a premium increase during the year and population growth in Ontario.

The Government of Canada contribution to the Hospital Insurance Plan for 1968 is estimated to be \$275,999,536. The amount was calculated on the formula contained in the Federal Provincial Agreement and may require minor modification when the national per capita cost is established from audited figures.

Assistance by the Government of Ontario to the Hospital Insurance Plan administered by the Commission in 1968 was \$83,188,006. In addition, expenditures totalling \$174,332,979 were made by the Province for mental and tuberculosis care, and for special and capital grants. A summary of the combined operations of all classes of hospitals is shown on Page 22 in the Schedule of Total Contributions for Hospital Care and Related Services.

### 4. *Assets and Liabilities*

The Comparative Statement of Assets and Liabilities shows the financial position of the Commission as at December 31, 1968 and 1967. The 1967 figures have been restated as shown in Note 1 to the Financial Statements.

Deferred income of \$75,838,716 at December 31, 1968 refers to premiums paid in advance for coverage in subsequent months. The funds obtained from these premium pre-payments were used as working capital to pay hospitals for their costs until the Commission was reimbursed by the Federal and Provincial Governments for their shares of hospital costs.

At December 31, 1968 it was estimated that \$6,000,000 was due to the Commission from third parties. This amount represents the estimated portion of hospital costs paid by the Commission that are recoverable from third parties responsible for the hospitalization of insured persons.

Unpaid hospital costs at December 31, 1968 amounted to \$41,575,778. In large part, this amount was owing to public hospitals and is the difference between the allowable costs incurred by hospitals for 1968 and the semi-monthly advances based on approved budgets and operating statements. A further advance is given shortly after the year-end and a final settlement made when the hospital's audited financial statements are reviewed by the Commission and allowable costs ascertained.



G. H. SPENCE, B.A., F.C.A.  
PROVINCIAL AUDITOR

R. B. CRANSTON, C.A.  
ASST. PROVINCIAL AUDITOR



ONTARIO

ADDRESS ALL COMMUNICATIONS  
TO THE PROVINCIAL AUDITOR  
PARLIAMENT BUILDINGS, TORONTO

OFFICE OF PROVINCIAL AUDITOR

AUDITOR'S REPORT

To the Chairman and Members of the  
Ontario Hospital Services Commission,  
2195 Yonge Street,  
Toronto, Ontario.

I have examined the statement of assets and liabilities of the Ontario Hospital Services Commission as at December 31, 1968 and the statement of expenditure, income and government contributions for the year then ended. My examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as I considered necessary in the circumstances.

In my opinion these financial statements present fairly the financial position of the Commission as at December 31, 1968, and the results of its operations for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

*George H. Spence F.C.A.*

Toronto, Ontario,  
June 27, 1969.

Provincial Auditor

**ONTARIO HOSPITAL SERVICES COMMISSION**  
**STATEMENT OF ASSETS AND LIABILITIES**  
*December 31, 1968*

(with comparative figures at December 31, 1967)

	<u>1968</u>	<u>1967</u>
<b>ASSETS</b>		
Premiums of the current year subsequently received (note 1) .....	\$ 15,858,456	\$ 5,810,579
Short term investments — at cost and accrued interest which approximates market .....	3,299,281	2,000,856
Receivable from Government of Canada .....	41,995,669	34,123,187
Receivable from Province of Ontario .....	53,382,262	37,924,534
Estimated hospital costs receivable from other insurers .....	6,000,000	4,600,000
Other receivables and prepaid expenses .....	422,121	814,985
	<u>\$120,957,789</u>	<u>\$ 85,274,141</u>
<b>LIABILITIES</b>		
Accrued cost of hospital and related facilities .....	\$ 41,575,778	\$ 38,773,813
Due to Province of Ontario for portion of premiums for improvement of care in Provincial mental institutions .....	1,455,710	1,316,072
Accounts payable and accrued liabilities .....	2,087,585	1,367,788
	<u>45,119,073</u>	<u>41,457,673</u>
Deferred income — premiums applicable to insured services in subsequent months .....	75,838,716	43,816,468
	<u>\$120,957,789</u>	<u>\$ 85,274,141</u>

Approved:



Chairman



Commissioner of Finance

Note 1: At January 1, 1968 all functions of the Commission which related to the collection of premiums were transferred to the Health Insurance Registration Board which now remits the net premium income to the Commission. At December 31, 1968 premiums totalling \$15,858,456 were owing by the Board to the Commission on account of premiums received in 1968 but not remitted at the year-end. The prior year's statement of assets and liabilities has been re-stated in this regard to conform with 1968 classifications. As a result of this transfer of functions certain expenses did not occur in 1968 which were included in the 1967 operating expenses.

Note 2: At December 31, 1968 the Commission, on behalf of the Province of Ontario, had made capital construction loans to hospitals totalling \$59,100,545. The funds for these loans were provided by the Province of Ontario, and all interest and principal received by the Commission will be remitted to the Province of Ontario.



**ONTARIO HOSPITAL SERVICES COMMISSION**  
**STATEMENT OF**  
**EXPENDITURE, INCOME AND GOVERNMENT CONTRIBUTIONS**  
*for the year ended December 31, 1968*

(with comparative figures for the year ended December 31, 1967)

	<u>1968</u>	<u>1967</u>
<b>EXPENDITURE</b>		
Hospital and related facilities:		
Cost of insured services .....	<b>\$573,082,443</b>	\$469,725,512
Costs recovered from others .....	<b>(4,627,830)</b>	(3,832,171)
	<u><b>568,454,613</b></u>	<u>465,893,341</u>
Operating expenses (note 1):		
Salaries .....	<b>3,132,532</b>	4,824,282
Rentals, postage, printing and other administrative expenses .....	<b>1,921,188</b>	2,555,895
Expenses recovered from health grants and carriers of supplementary hospital insurance .....	<b>(151,811)</b>	(714,635)
	<u><b>4,901,909</b></u>	<u>6,665,542</u>
Total expenditure .....	<u><b>\$573,356,522</b></u>	<u>\$472,558,883</u>
 <b>INCOME</b>		
Premiums for insured services .....	<b>\$218,340,873</b>	\$162,148,367
Less portion of premiums paid to the Province for improvement of care in Provincial mental institutions ..	<b>4,991,616</b>	4,989,181
	<u><b>213,349,257</b></u>	<u>157,159,186</u>
Income from investments .....	<b>819,723</b>	445,220
	<u><b>214,168,980</b></u>	<u>157,604,406</u>
 <b>GOVERNMENT CONTRIBUTIONS</b>		
Government of Canada .....	<b>275,999,536</b>	225,704,093
Province of Ontario .....	<b>83,188,006</b>	89,250,384
	<u><b>359,187,542</b></u>	<u>314,954,477</u>
Total income and government contributions .....	<u><b>\$573,356,522</b></u>	<u>\$472,558,883</u>

# ONTARIO HOSPITAL SERVICES FOR THE TEN YEARS

	1968	1967	1966	1965
<b>Hospital and Related Facilities:</b>				
Cost of Insured Services	\$573,082,443	469,725,512	396,068,804	347,691,263
Costs Recovered from Others	(4,627,830)	(3,832,171)	(3,475,810)	(2,638,898)
	<u>568,454,613</u>	<u>465,893,341</u>	<u>392,592,994</u>	<u>345,052,365</u>
<b>Operating Expenses:</b>				
Salaries	3,132,532	4,824,282	4,214,591	3,897,385
Rentals, postage, printing and other administrative expenses	1,921,188	2,555,895	2,491,142	2,395,215
Expenses recovered from health grants and carriers of supple- mentary hospital insurance	*(151,811)	(714,635)	(690,307)	(609,521)
	<u>4,901,909</u>	<u>6,665,542</u>	<u>6,015,426</u>	<u>5,683,079</u>
<b>TOTAL EXPENDITURE</b>	<u>\$573,356,522</u>	<u>472,558,883</u>	<u>398,608,420</u>	<u>350,735,444</u>

\* Health Insurance Registration Board assumed responsibility, January 1, 1968, for collection of major portion of these recoveries.



**COMMISSION EXPENDITURE.**  
**1959 TO 1968 INCLUSIVE**

1964	1963	1962	1961	1960	1959
308,083,022	275,675,022	245,761,996	216,606,486	189,739,918	158,397,374
(2,343,062)	(1,795,570)	(1,318,946)	(1,793,546)	(1,207,193)	(732,751)
<u>305,739,960</u>	<u>273,879,452</u>	<u>244,443,050</u>	<u>214,812,940</u>	<u>188,532,725</u>	<u>157,664,623</u>
3,740,263	3,829,081	3,866,139	3,802,042	3,548,800	2,982,342
2,295,078	2,222,245	1,715,172	1,777,045	1,475,174	1,232,399
(570,506)	(434,874)	(382,345)	(338,945)	(358,437)	(189,556)
<u>5,464,835</u>	<u>5,616,452</u>	<u>5,198,966</u>	<u>5,240,142</u>	<u>4,665,537</u>	<u>4,025,185</u>
<u>311,204,795</u>	<u>279,495,904</u>	<u>249,642,016</u>	<u>220,053,082</u>	<u>193,198,262</u>	<u>161,689,808</u>

# VOLUME OF HOSPITAL CARE

GENERAL INFORMATION	ALL HOSPITALS	PUBLIC HOSPITALS				
		ACTIVE TREATMENT		CONVALESCENT		CHRONIC
		Public General Hospitals (1)	Red Cross Outposts	Hospitals	Units of Hospitals	Hospitals (2)
Number of Hospitals or Units in Operation during 1968	---	190	13	8	6	17
Rated Bed Capacity as at December 31, 1968						
Adults and Children	48,356	37,191	179	799	343	3,155
Bassinets	6,242	6,038	95	---	---	---
Percentage of Bed Occupancy						
Adults and Children	83.3	82.4	61.1	78.1	71.8	96.7
Nursery	39.4	39.8	9.1	---	---	---
Average Number of Adults and Children in Hospital Daily	40,263	30,654	109	624	246	3,050
Average Length of Stay of Discharges and Deaths						
Adults and Children	13.0	10.6	6.7	44.7	62.8	339.8
Newborn	7.1	7.1	5.5	---	---	---
Admissions						
Adults and Children	1,128,733	1,065,643	5,970	5,166	1,380	3,410
Newborn	127,408	124,148	569	---	---	---
Total	1,256,141	1,189,791	6,539	5,166	1,380	3,410
Discharges and Deaths						
Adults and Children	1,127,751	1,064,794	5,959	5,152	1,374	3,360
Newborn	127,422	124,183	565	---	---	---
Total	1,255,173	1,188,977	6,524	5,152	1,374	3,360
Patients Treated During 1968						
Adults and Children	1,163,665	1,091,518	6,074	5,707	1,596	6,450
Newborn	129,633	126,336	578	---	---	---
Total	1,293,298	1,217,854	6,652	5,707	1,596	6,450
Total Days' Stay Since Admission of Discharges and Deaths						
Adults and Children	14,674,263	11,239,971	39,932	230,497	86,277	1,141,814
Newborn	901,411	880,744	3,127	---	---	---
Total	15,575,674	12,120,715	43,059	230,497	86,277	1,141,814
Days of Care Given in 1968						
Adults and Children	14,736,321	11,219,370	40,004	228,360	90,121	1,116,335
Newborn	900,411	879,548	3,167	---	---	---
Total	15,636,732	12,098,918	43,171	228,360	90,121	1,116,335

(1) Includes (a) Kenora General Hospital and St. Joseph's Hospital, combined to form Lake of the Woods District Hospital, Kenora from May 1, 1968; (b) London Health Association (Rheumatic and Arthritic Disease Unit), London, which opened June 6, 1968; and (c) North York General Hospital, Willowdale, which opened May 1, 1968.

(2) A new unit for chronically-ill patients was opened April 1, 1968 at Ongwanada Sanatorium, Kingston.

(3) New units for the chronically-ill were opened at Royal Victoria Hospital of Barrie, Barrie, November 9, 1968; Douglas Memorial Hospital, Fort Erie, April 1, 1968; Kemptville District Hospital, Kemptville, December 31, 1968; Kincardine and District Hospital, Kincardine, January 6, 1968; South Peel Hospital, Mississauga, February 13, 1968; North Bay Civic Hospital, North Bay, February 16, 1968; Bruce Peninsula and District Memorial Hospital, Wiarton, May 14, 1968; Winchester District Memorial Hospital, Winchester, January 29, 1968; Woodstock General Hospital, Woodstock, July 9, 1968.



# GIVEN IN ONTARIO, 1968

CHRONIC		TOTAL (Public)	PRIVATE HOSPITALS			FEDERAL HOSPITALS AND NURSING STATIONS TOTAL (6)	NURSING HOMES TEMPORARILY APPROVED FOR CHRONIC CARE (7)
Units of Hospitals (3)	Psychi- atric		ACTIVE (4)	CHRONIC (5)	TOTAL (Private)		
77	2	---	17	22	39	10	35
3,458 ---	255 ---	45,380 6,133	667 88	517 ---	1,184 88	1,234 21	558 ---
82.0 ---	71.3 ---	83.1 39.3	81.3 44.2	101.5 ---	90.1 44.2	80.2 44.9	90.9 ---
2,834	182	37,699	542	525	1,067	990	507
164.3 ---	43.6 ---	12.6 7.1	7.7 6.4	348.1 ---	13.5 6.4	28.1 7.2	286.7 ---
5,913 ---	1,542 ---	1,089,024 124,717	26,419 2,216	470 ---	26,889 2,216	12,136 475	684 ---
5,913	1,542	1,213,741	28,635	470	29,105	12,611	684
5,800 ---	1,516 ---	1,087,955 124,748	26,440 2,205	458 ---	26,898 2,205	12,163 469	735 ---
5,800	1,516	1,212,703	28,645	458	29,103	12,632	735
8,654 ---	1,713 ---	1,121,712 126,914	26,835 2,240	969 ---	27,804 2,240	12,952 479	1,197 ---
8,654	1,713	1,248,626	29,075	969	30,044	13,431	1,197
952,855 ---	66,156 ---	13,757,502 883,871	204,722 14,165	159,408 ---	364,130 14,165	341,919 3,375	210,712 ---
952,855	66,156	14,641,373	218,887	159,408	378,295	345,294	210,712
1,037,236 ---	66,522 ---	13,797,948 882,715	198,492 14,242	192,013 ---	390,505 14,242	362,282 3,454	185,586 ---
1,037,236	66,522	14,680,663	212,734	192,013	404,747	365,736	185,586

(a) Brierbush Private Hospital, Stouffville, reclassified as a chronic care hospital from an active treatment hospital on January 1, 1968 and (b) Bethesda Private Hospital, Willowdale, closed May 1, 1968.

(c) Inniswood Private Hospital, Barrie, ceased to operate as a private hospital December 31, 1968.

(a) The number of beds in Westminster Hospital, London, was temporarily reduced by 20 beds on loan to London Health Association (Rheumatic and Arthritic Disease Unit), until University Hospital, London, completed, and (b) Lady Willingdon Hospital, Ohsweken, closed October 1, 1968.

(c) Five nursing homes ceased to operate under the Plan in 1968, and a total of thirty-six approved beds were withdrawn in six nursing homes.

## TRENDS IN PUBLIC HOSPITAL CARE, 1966 to 1968

ALL PUBLIC HOSPITALS IN ONTARIO	YEAR ENDED DECEMBER 31			Percentage Increase or (Decrease) 1968/67	Percentage Increase or (Decrease) 1967/66
	1968	1967	1966		
Population insured by O.H.S.C.* .....	7,273,748	7,171,971	6,927,306	1.4	3.5
Rated Beds .....	45,380	43,956	42,584	3.2	3.2
Number of Adult and Child Admissions .....	1,089,024	1,045,990	1,016,853	4.1	2.9
Discharges and Deaths .....	1,087,955	1,044,274	1,015,945	4.2	2.8
Patients Under Care During Year (1) ..	1,121,712	1,076,962	1,046,917	4.2	2.9
Total Patient Days (Adults and Children) of Discharges and Deaths (2) .....	13,757,502	13,107,878	12,838,251	5.0	2.1
of Care Given During Year (3) .....	13,797,948	13,396,512	12,809,933	3.0	4.6
Average Length of Stay of Patients Discharged or Died (4)					
Active .....	10.5	10.6	10.5	(0.9)	1.0
Convalescent .....	48.5	48.3	47.6	0.4	1.5
Chronic .....	228.7	230.6	267.8	(0.8)	(13.9)
Psychiatric (5) .....	43.6	43.9	46.6	(0.7)	(5.8)
Total .....	12.6	12.6	12.6	0.0	0.0
Number of Diagnostic Radiological Examinations (6) (7)					
In-patients .....	1,215,451	1,110,443	1,027,700	9.5	8.1
Out-patients .....	1,599,447	1,403,449	1,215,285	14.0	15.5
Total Units of Laboratory Service Performed in Hospitals					
In-patients .....	70,096,596	58,323,647	49,304,243	20.2	18.3
Out-patients .....	9,410,722	6,838,793	5,188,378	37.6	31.8
Referred-in .....	2,969,874	2,415,651	2,028,045	22.9	19.1
Total Staff and Employees of Hospitals as at December 31st					
Full-time .....	89,794	85,439	79,657	5.1	7.3
Part-time .....	15,748	14,742	13,817	6.8	6.7
Total Paid Hours of Work .....	194,886,535	183,824,414	169,982,797	6.0	8.1

(1) Discharges and deaths plus patients in-residence at end of year.

(2) Days since admission (i.e., includes some days from prior year(s) but excludes days of patients in-residence at end of year).

(3) Days of care given during calendar year to discharges and deaths and patients in-residence at end of year.

(4) Sunnybrook Hospital included in total only in 1966.

(5) Refers to Clarke Institute of Psychiatry and Donwood Foundation only. Days for psychiatric units of public hospitals are included with active units as in previous years.

(6) Excludes convalescent and chronic hospitals.

(7) Excludes routine admission chest x-rays.

\* Insured population as of December 31st.



**SCHEDULE OF TOTAL CONTRIBUTION FOR HOSPITAL CARE  
AND RELATED SERVICES  
BY ONTARIO HOSPITAL SERVICES COMMISSION  
AND DEPARTMENT OF HEALTH**

*for the year ended December 31, 1968*

**EXPENDITURES**

Ontario Hospital Services Commission

Hospital and Commission Operating Costs .....	\$573,356,522	
Payments re Indigents in Unorganized Territories and Indigent Immigrants .....	145,332	
Special and Capital Grants .....	<u>50,226,979</u>	\$623,728,833

Department of Health

Mental Health .....	\$119,706,000	
Tuberculosis Care .....	<u>4,400,000</u>	<u>124,106,000</u>
TOTAL .....		<u><u>\$747,834,833</u></u>

**INCOME AND GOVERNMENT CONTRIBUTIONS**

Premium Income for Insured Services .....	\$218,340,873
Income from Investments .....	819,723
Government Contributions	
Government of Canada .....	275,999,536
Province of Ontario .....	<u>252,674,701</u>
TOTAL .....	<u><u>\$747,834,833</u></u>

Issued by

Ontario Hospital Services Commission

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